

Application of Verizon Avenue Corp.

Appendix A

Standard Questions for Applicants Seeking Local Exchange Service Authority

1. Is your Company seeking any waivers or variances of certain Commission rules and regulations in this proceeding that pertain to local exchange service? Please provide evidence as to why your company is seeking any waiver or variance.

Verizon Avenue Corp. seeks no waivers or variances of rules and regulations pertaining to local exchange service.

2. Will your company comply with 83 Illinois Administrative Code Part 772, Pay-Per-Call Services, including Part 772.55(a)(1), Billing and Part 772.100(d) Notices?

Yes.

3. Will your company comply with 83 Illinois Administrative Code Part 705, Preservation of Records of Telephone Utilities?

Yes.

4. Will your company abide by 83 Illinois Administrative Code Part 735, "Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Telephone Utilities in the State of Illinois"?

Yes.

5. Will your company abide by 83 Illinois Administrative Code Part 732 "Customer Credits"?

Yes.

6. Who will provide customer repair service for your company?

Repair service is provided by technician employees of Verizon Avenue Corp., based in Illinois. In certain cases, depending upon the nature of the reported problem, the repair services of the underlying carrier SBC Communications may be called upon, as provided for in resale tariffs and Interconnection Agreements.

7. How many people does the Company employ?

452, as of the end of August, 2003.

8. Will your company meet the requirements as they pertain to the Telephone Assistance Programs imposed by Sections 13.301 and 13.301.1 of the Illinois Public Utilities Act and 83 Illinois Administrative Code Part 757?  
  
Yes.
9. Will your company solicit, collect, and remit the voluntary contributions from its telephone subscribers to support the Telephone Assistance Programs?  
  
Yes.
10. Does your company plan on filing to become an Eligible Telecommunications Carrier?  
  
No.
11. Does the company realize that it will not be able to receive any of the federal reimbursements for the Lifeline and Linkup Programs if it is not an eligible carrier?  
  
Yes.
12. Will your company offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP)?  
  
Yes.
13. Will your company abide by the regulations as prescribed in 83 Illinois Administrative Code Part 755 "Telecommunications Access for Persons with Disabilities", 83 Illinois Administrative Code Part 756 "Telecommunications Relay Service", and Sections 13-703 of the Illinois Public Utilities Act?  
  
Yes.
14. Will the company's billing system be able to distinguish between resale and facility based service for the collection of the ITAC line charge?  
  
Yes.
15. Has your company signed and return the Universal Telephone Assistance Corporation ("UTAC") and the Illinois Telecommunicatins Access Corporation ("ITAC") to Commission staff.

Yes, under the Company's current name of OnePoint Communications – Illinois LLC d/b/a Verizon Avenue.

16. Does your company intend to solicit customers once it begins to provide local service?

Yes.

17. Has your company provided service under any other name?

Yes. The company began providing service in Illinois in 1997 and continues to this date to do so. The company received its certification from the Commission to provide services in Illinois under an Order in Docket 97-0117, released May 7, 1997. This certification was granted under the name OnePoint Communications – Illinois, LLC. This immediate application for certification for Verizon Avenue Corp. is intended only to permit the company shift this existing certification from OnePoint Communications – Illinois, LLC to its parent company, Verizon Avenue Corp.

18. Have any complaints or judgements been levied against the company?

Yes. Please see the response to Section 11 of the Application. Only two formal complaints have been filed against the company, both in Illinois, and both decided in favor of the company by the Commission.

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**Appendix B**

**9-1-1 Questions for Applicants Seeking Local Exchange Service Authority**

1. Will your company ensure that 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?

Yes.

2. Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?

Yes. Such relationships are in place under the current certification of OnePoint Communications – Illinois, LLC d/b/a Verizon Avenue, and will continue when the certification of the company is changed to Verizon Avenue Corp.

3. Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent service for your local exchange customers?

Yes.

4. Who will be responsible for building and maintaining the 911 database for your local exchange customers?

That database is maintained by SBC Communications on behalf of its resale carrier customers. That arrangement will continue.

5. How often will your company update the 911 database with customer information?

Information to update the database is provided to SBC Communications as part of the daily provisioning process between SBC and the reseller carriers.

6. Will your company's billing system have the ability to distinguish between facilities based and resale for the collection of the 911 surcharge?

Yes.

7. Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?

Yes.

8. Will your company's proposal require any network changes to any of the 911 systems?

No.

9. Will your company be able to meet the requirements specified under Part 725.500(o) and 725.620(b) for the installation of call boxes?

Verizon Avenue Corp. provides regulated telephone services by resale of services obtained from SBC Communications under tariff and Interconnection Agreement. The Company does not provide facility based local telephone services.

10. Does your company plan to file for a waiver of Part 725.500(o) and Part 725.620(b) in the future?

No.

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**Appendix C**

**Financial Questions for Applicants Seeking Local Exchange Service Authority**

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts (USOA)?

OnePoint Communications – Illinois, LLC d/b/a Verizon Avenue (OPC) received such a waiver from the Commission, and has operated under that waiver, since its original certification in 1997. The instant application is filed solely to change the certificated party to Verizon Avenue Corp., OPC's parent company. Verizon Avenue Corp. follows GAAP accounting in all other jurisdictions in which it operates, including the Federal jurisdiction.

2. Will records be maintained in accordance with Generally Accepted Accounting Principles (GAAP)?

Yes.

3. Will applicant's accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

Yes.

4. Will applicant's accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?

Yes.

5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?

Yes.

6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?

Yes. The revenue accounts detailed on the attached chart of accounts mapping provide this detail.

7. If a waiver of Part 710 is granted, will applicant provide annual audited statements (f) or all periods subsequent to granting of the waiver?

Yes, as under the OPC practices since 1997. Verizon Avenue Corp. will continue with the same submissions to the Commission as required.

8. Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

Yes.

9. Please attach a copy of applicant Chart of Accounts.

That Chart of Accounts, mapped to existing USOA accounts, is attached to this application as Appendix C (1).

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Appendix C (1)

Chart of Accounts and Conversion Chart from USOA to GAAP

The Chart of Account requested in Appendix C follows.

**Comparison / Conversion Matrix  
USOA Part 32 (Class B) and  
GAAP (VZA) System of Accounts**

EJM March 2002

<u>USOA (Part 32) Class B Account Descriptor</u>	<u>USOA Class B Account Number</u>	<u>GAAP/VZA Account Number</u>
<b><u>Property, Plant and Equipment</u></b>		
Telecommunications Plant in Service	2001 (Bal Sheet Sum. Only)	
Property Held for Future Telecom Use	2002	
Telecom Plant Under Const - Short Term	2003	
Telecom Plant Under Const - Long Term	2004	
Telecom Plant Adjustments	2005	
Nonoperating Plant	2006	1580, 1850, 1900
Goodwill	2007	
TPIS - General Support Assets	2110	1511, 1512, 1513, 1521, 1523, 1524, 1533, 1534, 1590
TPIS - Central Office - Switching	2210	1575, 1595
TPIS - Central Office - Operator Systems	2220	
TPIS - Central Office - Transmission	2230	
TPIS - Info Origination/Termination	2310	1476, 1596, 1597, 7800
TPIS - Cable and Wire Facilities	2410	
TPIS - Amortizable Tangible Assets	2680	
TPIS - Amortizable Intangible Assets	2690	
<b><u>Depreciation and Amortization</u></b>		
Accumulated Depreciation	3100	1611, 1612, 1613, 1621, 1623, 1624, 1633, 1634, 1675, 1690, 1695, 1696, 1697
Accum Depreciation - Held for Future Use	3200	
Accum Depreciation - Nonoperating	3300	
Accum Amortization - Tangible	3400	
Accum Amortization - Intangible	3500	
Accum Amortization - Other	3600	
<b><u>Liabilities and Stockholders Equity</u></b>		
Accounts Payable	4010	2100 (09000, 09100)
Notes Payable	4020	
Advance Billing and Payments	4030	
Customers' Deposits	4040	1900
Current Maturities - Long Term Debt	4050	
Current Maturities - Capital Leases	4060	
Income Taxes - Accrued	4070	
Other Taxes - Accrued	4080	
Net Current Deferred Operating Inc. Taxes	4100	
Net Cur. Deferred Non-Operating Inc. Taxes	4110	
Other Accrued Liabilities	4120	2100 (01000, 06650)
Other Current Liabilities	4130	2900, 7400, 7300
Long Term Funded Debt	4210	
Premium on Long Term Debt	4220	
Discount on Long Term Debt	4230	
Reacquired Debt	4240	

Obligations Under Capital Leases	4250	
Advances from Affiliated Companies	4260	8800
Other Long Term Debt	4270	
Other Long Term Liabilities	4310	
Unamortized Operating ITC - Net	4320	
Unamortized Non-operating ITC - Net	4330	
Net Noncurrent Deferred Operating Inc. Taxes	4340	
Net Deferred Tax Liability Adjustments	4341	
Net Noncur. Def'd Non-operating Inc. Taxes	4350	
Other Deferred Credits	4360	
Deferred Tax Regulatory Liability	4361	
Othr Juris. Liabilities and Def'd Credits - Net	4370	
Stockholders' Equity - Capital Stock	4510	
Additional Paid-In Capital	4520	
Treasury Stock	4530	
Other Capital	4540	
Retained Earnings	4550	
<b><u>Revenue Accounts</u></b>		
Basic Local Service	5000	5400
Network Access	5080	
End User	5081	6400 (60500)
Switched Access	5082	
Special Access	5083	
State Access	5084	
Long Distance Message	5100	5300
Miscellaneous	5200	5400 (5100), 6400 (60600)
Nonregulated Operating	5280	5100, 5500
Uncollectible	5300	8400
<b><u>Expense Accounts</u></b>		
Plant Specific Network Support	6110	
Plant Specific General Support	6120	7700
Plant Specific Central Ofc Switching	6210	
Plant Specific Operators Systems	6220	
Plant Specific Central Ofc Transmission	6230	
Plant Specific Information Orig/Term	6310	8200
Plant Specific Cable and Wire Facilities	6410	
Plant Non-Specific Other Property	6510	
Plant Non-Specific Network Operations	6530	5400 (10150, 40910), 6300, 6400, 6550
Plant Non-Specific Access Expense	6540	
Depreciation and Amortization	6560	9200
Customer Operations - Marketing	6610	6810, 6820, 6830, 8100
Customer Operations - Services	6620	7900, 8300
Corporate Operations - Exec and Planning	6710	7800
Corporate Operations - Genl and Admin	6720	7150, 7050, 7200, 7300, 7400, 7600, 7700
Provision for Uncollectible Notes Receivable	6790	

**Other Income Accounts**

Other Operating Income and Expense	7100	8300(16400)
Operating Taxes	7200	6400 (60000, 60100, 60170, 60400, 60700, 60800, 60820, 60990), 7100, 2100(05000)
Non-Operating Income and Expense	7300	6750, 7200, 8000, 8300 (13500, 19900), 7500
Non-Operating Taxes	7400	8300 (31200, 31300)
Interest and Related Items	7500	9100
Extraordinary Items	7600	
Income Effect of Ratemaking Difference - Net	7910	
Non-Regulated Net Income	7990	6650, 6750